

U-Ethical Australian Equities Trust

Ethical Survey, as voted by members of the Ethical Advisers Co-Op



Poor | Disappointing | Average | Appealing | Excellent

As voted by Ethical Adviser Co-op members. Find a specialised ethical adviser near you: www.ethicaladviserscoop.org/find-an-adviser.html

Fund Overview

This is an actively managed Australian shares investment option. They have negative and positive screening.

Ethical Concerns

Investments

- ✘ Some investments in the Fund may be problematic for ethical investors, such as:
 - Fossil-fuel intensive industries: BSL, Transurban
 - Mining Fortescue Metals Group, WES
 - Other holdings with ethical concerns: big five banks – ANZ, CBA, MAQ, NAB & WBC
 - Governance – TLS
 - Domestic exposure to tobacco and alcohol sales – Coles, WES

Other concerns

- ✘ May include companies of concern where “...a contravention of the principles constitutes less than 5% of the company’s revenue or earnings where the contravention may be outweighed by significantly positive factors” - [link here](#).

Good Points

- ✓ Fund has negative 5% limit on screens for Fossil fuels (Generation, exploration and extraction, human rights, cause unacceptable damage to the natural environment, uranium, armaments, predatory lending, pornography, gambling, animal cruelty, Alcohol production and tobacco.
- ✓ Provide an ethical investment policy and sustainability report.
- ✓ Portfolio holdings show evidence of a positive UN Sustainable Development Goal based strategy.
<https://www.uethical.com/products/u-ethical-australian-equities-trust-retail>
- ✓ U-Ethical have engaged with the big four banks on five separate social issues.
- ✓ Commitment to transparency by being [UNPRI](#) signatory and [RIAA certified](#).
- ✓ Member of Climate Action 100+.
- ✓ U-Ethical is a B-corporation.
- ✓ Average transparency with [holdings](#) and [voting history](#) available online, however voting history does not have a public link and fails to adequately disclose how U-Ethical votes.

About the 'Ethical Survey'

About the Ethical Advisers Co-Op

The Ethical Advisers Co-op is a group of 35 financial advisers who are passionate about ethics and finance. The Co-op was established as a not-for-profit over 10 years ago to enable likeminded financial advisers to work together to represent the voice of the consumer. We work to shift the super and investment industry into being more ethically aligned with their clients' objectives. The Co-op's nationwide membership of ethical financial advisers help over 3,300 Australians make financial decisions and invest in line with their ethical values.

How the Leaf-System Works

The ethical rating is voted by Australian financial advisers who specialise in ethical investments (Co-op members). The advisers assess if fund ethics suit their average ethical client, and if it matches with the average client's expectations and objectives. The advisers consider how successful the fund is at; 1) removing industries and stocks harmful to the environment and society 2) including companies with environmental or social benefits, and 3) providing evidence of actions from the fund which benefit society and/or the environment. The quality of information the fund provides on its ethical policies, companies invested in, and proxy voting is important in assessing if a fund is as ethical as claimed. The final rating is an average of these votes.

Financial advisers are voluntarily participating to help ethical consumers gain a quick understanding of how the clients of a group of industry professionals view the ethics of each fund. The Co-op and the advisers do not receive any form of remuneration or reward for participating.

Further Research

Does your fund walk the talk?

The Australasian Centre for Corporate Responsibility (ACCR) – a not-for-profit shareholder advocacy organisation – pushes for transparency around whether your super fund 'walks the talk' on issues such as climate and human rights. You can find details on your super fund [here](#).

Is your fund investing in fossil fuels?

Market Forces is a not-for-profit delivering transparency on fossil fuel lending, insuring and investing within super funds, banks and insurance companies. You can see how exposed your super fund, bank or insurance company is to the fossil fuel industry [here](#).

If the fund is certified by the Responsible Investment Association Australasia (RIAA)

You can find more ethical and investment information for certified funds [here](#).

More information on this fund

For exact details of the fund's claimed ethics, costs and legal details see the fund's Product Disclosure Statement - available on their website.

Vote based on information last updated 29th March 2021